

Agenda Item	7.
Report No	PEO 43/17

## HIGHLAND COUNCIL

**Committee:** People Committee

**Date:** 6 December 2017

**Report Title:** Homelessness and Temporary Accommodation

**Report By:** Director of Community Services

### 1. Purpose/Executive Summary

- 1.1 This report provides an update on national policy in relation to homelessness as well as details of progress on increasing the volume of temporary accommodation. The report also provides information on costs and charges for temporary accommodation and the impact of Universal Credit on affordability.

### 2. Recommendations

- 2.1 Members are invited to:
- i. note the national policy commitments on Homelessness contained in the Scottish Government Programme;
  - ii. note the commitment from all agencies in Highland to work together and that multi-agency working in Highland should be focussed on addressing the underlying factors that contribute to homelessness;
  - iii. note the progress being made and constraints involved in increasing the number of Housing Revenue Account properties being used as temporary accommodation, particularly in Inverness;
  - iv. note the impact of Universal Credit on affordability of temporary accommodation and the recent announcement on changes to UK Government Legislation that will allow temporary accommodation costs to be dealt with under the Housing Benefit system.

### 3. Background

3.1 Councils have a range of duties in relation to homelessness. These are set out in legislation and are also contained in a non-statutory Code of Guidance.

3.2 These duties include a statutory responsibility to anyone threatened with or experiencing homelessness. We must offer a minimum of temporary accommodation, advice and assistance to all homeless households and those at risk of homelessness.

3.3 We also have a duty to ensure that housing and homelessness advice and assistance is provided to all people, free of charge, and must consider the best interests of children.

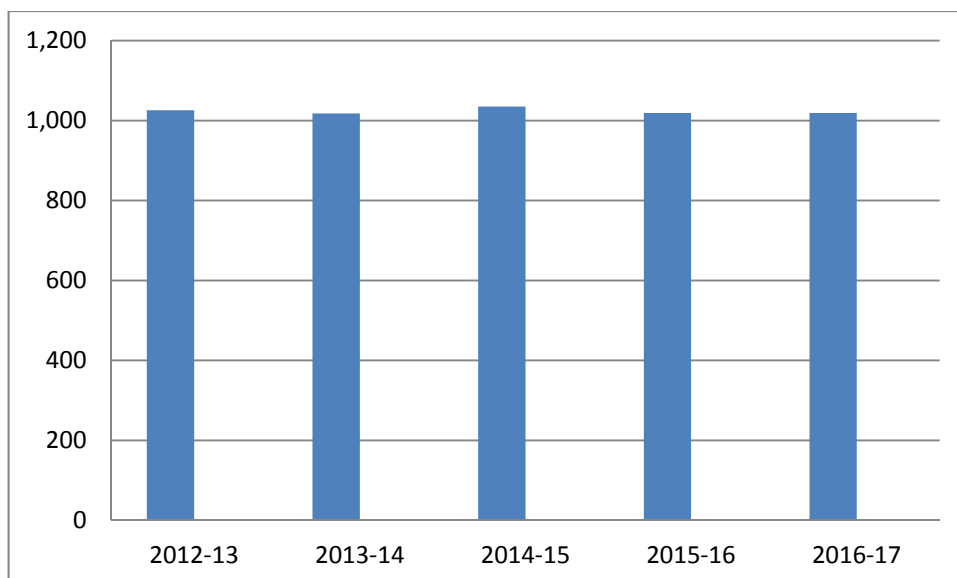
3.4 People who are assessed as unintentionally homeless and with a local connection to Highland are entitled to permanent accommodation.

3.5 All Councils have a legal duty to provide temporary accommodation to homeless households:

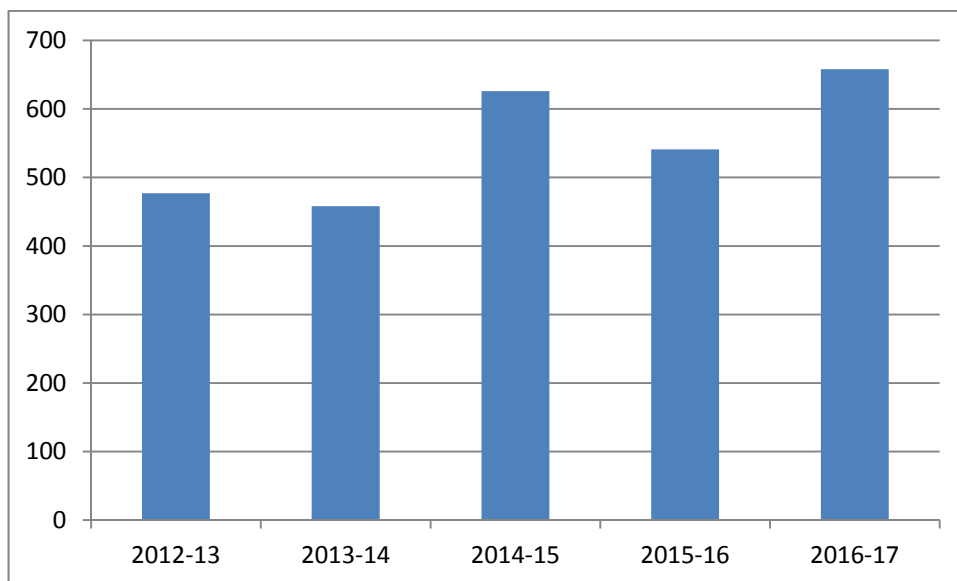
- if they believe that a household is homeless, pending a full assessment of the case; and
- following assessment, where it has decided that a household is entitled to permanent accommodation, until it is able to make a suitable offer of housing.

3.6 Where there is a legal duty to provide temporary accommodation this needs to be provided until either the case is closed following full assessment or until the Council is able to offer suitable permanent accommodation.

3.7 The number of homeless presentations to the Council over the last 5 years are shown in the graph below:



3.8 The number of people in temporary accommodation at the end of each year is shown in the graph below:



3.9 These graphs illustrate that the number of people presenting as homeless has been relatively stable over the last 5 years, but the number of households in temporary accommodation has increased. This is largely due to the lack of suitable housing available to make offers of permanent accommodation. This pressure is also illustrated by figures for case duration in Highland, which is 37 weeks on average.

3.10 The People Committee Policy Group considered homelessness at their meeting on 19 September 2017. A summary of the main points from the meeting is available on the Members Bulletin.

## 4 National Policy Objectives

4.1 The recently published Programme for Government includes the following new commitments to tackle Homelessness in Scotland:

- set a clear national objective to eradicate rough sleeping, recognising that it requires more than just the provision of housing;
- establish a Homelessness and Rough Sleeping Action Group to develop responses on the actions and legislative changes required to transform the use of temporary accommodation; and
- create an 'Ending Homelessness Together' Fund of £50 million over a five year period to support anti homelessness initiatives and pilot solutions to drive faster change.

4.2 There is recognition nationally that a more joined-up approach across homelessness, housing and health services is needed for those with complex needs. In Highland, joint working on health and homelessness is being led through the Health Inequalities Group. All local partners agree that multi-agency working is critical and services should be focussed on addressing the underlying factors that contribute to homelessness rather than just responding to homelessness as a presenting issue. This is particularly true for people with multiple / complex needs who need more complex service responses.

4.3 It is accepted that new multi-agency solutions are needed to address the underlying

issues that can contribute to homelessness. The Health Inequalities Group will be considering key joint actions which it can progress and will result in better outcomes for households with multiple needs. It is recognised that investment in services that will prevent homelessness will lead to longer and healthier lives for clients as well as reduced expenditure in the long term on expensive 'crisis intervention' across all agencies.

- 4.4 Two new services in Highland are also focused on improving outcomes for homeless households with multiple needs.
- 4.5 The Highland Council is continuing to develop its 'Move On' Intensive Support Service. It aims to provide a more holistic approach to working with individuals experiencing the greatest barriers in order to reduce homelessness; maximise income; develop financial capability; build resilience and life skills; and move towards a positive employment destination. It will adopt a targeted, problem solving approach in relation to individuals with multiple barriers. This project is part funded by the European Social Fund.
- 4.6 NHS Highland has appointed a Senior Nurse Practitioner (Mental Health Drug & Alcohol Recovery Service). This service aims to support Homeless Healthcare provision in Inverness.
- 4.7 We await details of the 'Ending Homelessness Together' Fund and will provide a further update on this in a future report. The immediate priority nationally is to address current significant rough sleeping problems in Edinburgh and Glasgow this winter. National recommendations on transforming temporary accommodation are expected in Spring 2018.

## **5 Temporary Accommodation**

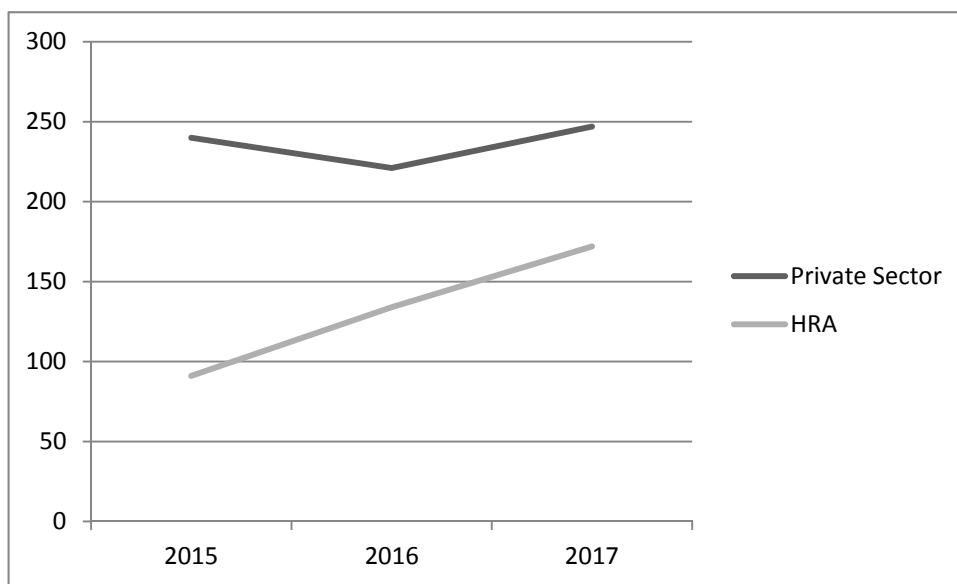
- 5.1 The Highland Council provides temporary accommodation through a mix of our own housing stock, property leased from individual private landlords, or through a framework contract with a range of accommodation providers. Any additional accommodation required is purchased on an ad hoc basis. Unlike most other Councils the majority of our temporary accommodation is in private sector property, and we have a high use of bed and breakfast type accommodation.
- 5.2 The Community Services Committee agreed in April 2016 that we should move to a model where the majority of temporary accommodation is provided in Council owned (Housing Revenue Account) properties. The main advantages of this approach are that rents will be affordable for tenants in receipt of welfare benefits, and that this will provide better quality, self-contained accommodation.
- 5.3 The Council's long term strategy for temporary accommodation is therefore to increase the use of self-contained, furnished Council or Housing Association property, and reduce the reliance on private sector property. This provides the best quality for clients and at the least cost to the Council.
- 5.4 Homelessness is an issue in many parts of Highland, with particular issues involved in rural areas. However in terms of case numbers and pressure on temporary accommodation, the main pressures arise in Inverness, which has by far the greatest need for additional temporary accommodation. Scope to increase the number of Council houses used for temporary accommodation in Inverness is limited by:

- constraints on the development programme in Inverness – largely in relation to site availability rather than funding levels; and
- the need to manage competing demands across all housing applicants in Inverness, where we are currently already allocating over 50% of empty houses to homeless applicants.

5.5 We are currently considering cases of homeless presentations in Inverness where we could meet our duties by providing temporary and/or permanent accommodation within other areas of Highland.

5.6 Our current provision of private sector temporary accommodation tends to be dominated by HMO type accommodation which does not always meet national standards. We are currently retendering for temporary accommodation and expect new provision to be in place by April 2018.

5.5 Progress with increasing the use of HRA property is summarised in the table below:



5.6 This shows that our use of Council owned temporary accommodation is continuing to increase steadily as planned, however the use of private sector property is not reducing at a corresponding rate.

5.7 Achieving a real reduction in the use of private sector temporary accommodation relies of the following factors:

- our ability to increase the proportion of our own housing stock used as temporary accommodation without adversely impacting on housing applicants with other housing needs;
- our ability to increase housing supply in the communities where it is most needed through the Council / Housing Association development programme;
- our ability to prevent homelessness and help clients to access other housing options.
- our ability to move people out of homelessness more quickly.
- effective multi-agency working which ensures people get the health related services they need to live independently and move beyond homelessness.

## 6 Rents and Affordability of Temporary Accommodation

- 6.1 Current charges for temporary accommodation are based on the principal of 'full cost recovery'. This means that rents charged to clients are the same as those the Council pays to the property owner for that particular property.
- 6.2 Average weekly rents in temporary accommodation are as follows:

Type of accommodation	Current number of units in use	Average weekly rent £
Council owned accommodation	171	97.56
Leased from private landlords	156	144.78
Contracted Framework units	179	157.54
Ad Hoc	62	247.54

- 6.3 Prior to the roll out of Universal Credit, homeless households on a low income were able to claim housing benefit to help them pay their rent. In most cases Housing Benefit covered 100% of rent and most service charges applied. However, under Universal Credit (UC) regulations, tenants in temporary accommodation are only entitled to have a housing element, usually equal to the Local Housing Allowance, included in their Universal Credit payment to cover housing costs.
- 6.4 Local Housing Allowance rates are unlikely to cover the cost of temporary accommodation. Single people under 35 years of age account for 60% of homeless households. They are entitled to a housing element of **£59.04** per week within their Universal Credit payment compared to an average weekly rent of over **£150.00** per week in a private sector accommodation.
- 6.5 The UK Government has accepted that there are additional management costs associated with temporary accommodation. At present the mechanism for addressing this is through additional specific funding being provided direct to Councils from Scottish Government, based on a distribution formula agreed by COSLA. For Highland the additional specific funding is £1.164m for 2017/18.
- 6.6 The Chancellor announced some changes to the Universal Credit arrangements as part of his budget statement in November 2017. One of the changes is the intention to legislate to enable stays in temporary accommodation to be paid through Housing Benefit rather than Universal Credit. It is intended to have this legislation in place by April 2018. Although the exact details are not known this could address the issues of affordability in relation to temporary accommodation.
- 6.7 In the meantime staff are continuing to make reasonable payment arrangements with clients in temporary accommodation based on their financial circumstances. Particularly for clients in receipt of Universal Credit, but also for other low income households, we accept that full cost recovery may not be possible. In these cases we are applying the Council policy in relation to debt write-off. This results in an increase in bad debt provision within the non-HRA budget.
- 6.8 Continuing to increase the proportion of Council owned temporary accommodation and the changes proposed to pay housing costs of temporary accommodation through Housing Benefit will hopefully help address some of the current budget pressures in homelessness.

## **7. Implications**

- 7.1 Resource: The resources issues involved are detailed in the report.
- 7.2 Legal: The Council's legal duties in relation to homelessness are summarised in the report. There are no specific implications arising from this report.
- 7.3 Community (Equality, Poverty and Rural): Preventing and responding to homelessness has a significant impact on individuals and communities. Our overall strategy for homelessness aims to tackle current health and other inequalities. Although case numbers are concentrated in Inverness we recognise that there are different challenges in rural communities.
- 7.4 Climate Change / Carbon Clever: There are no implications arising from this report.
- 7.5 Risk: There are significant financial risks to the Council arising from the way housing costs are dealt with under the Universal Credit system. These are summarised in the report.
- 7.6 Gaelic: There are no implications arising from the report.

Designation: Director of Community Services

Date: 28 November 2017

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